

Thanks for trying out Immersive Reader. Share your feedback with us.  



Budget 2023: Why you should invest in ELSS throughout the year, and not make a year-end dash

Budget 2023 must make an effort to increase the section 80C tax deduction limits. Retail investor would benefit if they could save more taxes. A study of inflows into ELSS funds or tax-savings funds shows that when Section 80C tax deduction limits were enhanced, the last time, to Rs 1.5 lakh, flows into these funds went up.



India has traditionally been a savings economy.

Between the financial years 2005 and 2014, about 28 per cent of the investments in equity-linked savings schemes (ELSS) happened in March alone. Since FY2014 there has been an improvement in the trend with such investments being made in the last 3 months of the fiscal year.

Procrastination is universal and happens in the mutual fund (MF) industry as well. In March every year, there is a rush to invest in [tax-saving funds](#) as the financial year is coming to an end. It is

interesting to observe that 50 per cent of the investments in ELSS happens in the last quarter. The last quarter is already upon us, so it is useful to go through some basics of ELSS, popularly known as tax-saving MF schemes.

Going the ELSS way

India has traditionally been a savings economy. This is borne out in not only the trend in savings over the decades but also in the way Indian investors view investments, especially those that carry tax exemptions.